

RESOLUTION OF BOSTON REDEVELOPMENT AUTHORITY
RE: PROPOSED DISPOSITION OF LAND IN THE
WASHINGTON PARK URBAN RENEWAL AREA
PARCEL F-1, PROJECT NO. MASS. R-24

WHEREAS, on December 4, 1964, the Boston Redevelopment Authority adopted a Resolution, approving a construction schedule in connection with the construction of improvements on Disposition Parcel F-1; and

WHEREAS, the Authority also approved at that time the form of a proposed penalty bond in the total penal sum of Twenty Five Thousand (\$25,000) Dollars to be given to the Authority by the Redeveloper of said Parcel F-1, Blair Associates, and the Hanover Insurance Company of New York; and

WHEREAS, Blair Associates have requested the Authority to approve an alternate security arrangement for insuring the construction and completion of the improvements to be constructed on said parcel, in accordance with the approved construction schedule; and

WHEREAS, the alternate security arrangement for which Authority approval is sought, includes two documents entitled "Instrument of Credit In Lieu of Penalty Bond" and "Irrevocable Commercial Letter of Credit: Original #BA-1", copies of which have been submitted to the Authority;

NOW, THEREFORE, BE IT RESOLVED BY THE BOSTON REDEVELOPMENT AUTHORITY:

1. That the Authority approves and consents to the establishment of an account in the Garden City Trust Company, and the deposit of \$25,000 therein, not subject to withdrawal by the Redeveloper until the completion of improvements on Parcel F-1, but subject to payment to the Authority, in accordance with the terms of the Land Disposition Agreement and the two documents described above, in lieu of the penalty bond previously required to be submitted by the Redeveloper.
2. That the documents entitled "Instrument of Credit In Lieu of Penalty Bond" and "Irrevocable Commercial Letter of Credit" which are the means by which the security arrangement approved herein will be implemented, are hereby approved.
3. That all other provisions of the Resolution concerning this disposition of land adopted December 4, 1964, are hereby ratified and continued in full force and effect.

CARDOZO & TUCKER
ATTORNEYS AT LAW

ANTONIO DE J. CARDOZO
HERBERT E. TUCKER, JR.
MATTHEW W. BULLOCK
RICHARD L. BANKS

20 PEMBERTON SQUARE
BOSTON 8, MASSACHUSETTS
LAFAYETTE 3-7400

December 16, 1964

Edward J. Logue, Development Administrator
Boston Redevelopment Authority
City Hall Annex
Boston, Massachusetts

Re: Parcel F-1
Washington Park Urban Renewal Area

Dear Mr. Logue:

In accordance with our many conferences with your office and in accordance with the terms of the Land Disposition Agreement, we have made every effort to obtain a "Penalty Bond". In our efforts we have contacted, directly and indirectly, six of the major insurance and bonding companies authorized to do business within the Commonwealth of Massachusetts. At each, we were faced with the problem of a prohibitive collateral arrangement and what we considered an exorbitant premium.

We have, however, been able to obtain an instrument of credit from the Garden City Trust Co., a copy of which is hereto attached, which we think carries out in every respect what was intended in the Land Disposition Agreement, clause 210 (e).

If you decide that this document is acceptable and in accordance with the Land Disposition Agreement as stated, we shall be pleased to execute the agreement as soon as possible upon advice from you at a time agreed upon.

Yours very truly,

CARDOZO & TUCKER

BY: *Herbert E. Tucker*

HET/jc

INSTRUMENT OF CREDIT IN LIEU OF PENALTY BOND

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS: Blair Associates, an unincorporated joint venture duly organized under the laws of the Commonwealth of Massachusetts, hereinafter referred to as the Developer, has executed a Land Disposition Agreement with the Boston Redevelopment Authority, hereinafter referred to as the Authority, for the purchase of Parcel F-1, Washington Park Urban Renewal Area.

WHEREAS: The Garden City Trust Company, a banking corporation duly organized under the laws of the Commonwealth of Massachusetts, hereinafter referred to as the Bank, has deposited to the account of Blair Associates \$25,000.

WHEREAS: Under the provisions of the aforesaid Land Disposition Agreement, the Developer is to construct a community shopping complex according to plans and specifications to be approved by the Authority.

WHEREAS: The Developer is to commence construction of said complex on March 15, 1965 in accordance with a construction schedule approved by the Authority, subject to excuseable delay as set forth in Section 915 of the aforesaid Land Disposition Agreement.

WHEREAS: The Developer is to complete said construction by November 15, 1965 in accordance with said construction schedule, subject to excuseable delay as set forth in Section 915 of the aforesaid Land Disposition Agreement.

WHEREAS: It has been agreed by and between the Developer and the Authority that upon the failure of the Developer to timely and faithfully perform its obligations as herein set forth, the Authority shall receive the sum of \$5,000 for each month that construction is delayed as herein set forth and in the Land Disposition Agreement as aforesaid, the Authority shall further receive the sum of \$5,000 per month for each month

that the improvements remain uncompleted as herein set forth and in the aforesaid Land Disposition Agreement, but in no case more than \$25,000.

Now, therefore, the Bank in consideration of \$1.00 and other valuable considerations in hand paid agrees that said \$25,000 deposited to the account of the Developer shall be held not subject to withdrawal by the Developer until all conditions and obligations herein set forth and in the aforesaid Land Disposition Agreement have been timely and faithfully performed by the Developer, but subject to a document attached hereto and as Exhibit A dated December , 1964, and entitled "Irrevocable Commercial Letter of Credit".

Upon notification by the Authority of a timely and faithful completion of its obligations as herein set forth and in the aforesaid Land Disposition Agreement, the Bank shall release said \$25,000 to the Developer and its liability to the Authority shall cease and this agreement shall be null and void.

IN WITNESS THEREOF, the parties have executed and delivered this instrument, this Seventeenth day of December, 1964.

BLAIR ASSOCIATES

BY:

Harold Burg

GARDEN CITY TRUST COMPANY

BY:

The Authority hereby approves of the foregoing and agrees that the same satisfactorily complies with the terms of the aforesaid Land Disposition Agreement.

BOSTON REDEVELOPMENT AUTHORITY

BY:

Edward J. Logue

IRREVOCABLE COMMERCIAL LETTER OF CREDIT: ORIGINAL #B.A. - 1

Boston Redevelopment Authority
73 Tremont Street
Boston, Massachusetts

December , 1964

Gentlemen:

We hereby authorize you to draw at sight on ourselves for account of Blair Associates, for any sum or sums not exceeding the aggregate of Twenty Five Thousand Dollars (\$25,000.00) up to December , 1965.

Draft must be accompanied by the following documents:

Affidavit signed by Authorized Official of the Boston Redevelopment Authority to the effect that Blair Associates as of date of affidavit, has not performed some one or all of its obligations under land disposition agreement, Parcel F-1, Washington Park urban renewal area.

All drafts under this credit must be marked: "Drawn under Garden City Trust Company Irrevocable Commercial Letter of Credit #B.A. - 1, dated December , 1964, and expiring December , 1965. The amount of each draft drawn must be endorsed on the reverse side hereof by the negotiating bank. We hereby agree with drawers, endorsers, and bonafide holders of drafts negotiated under and in compliance with the terms of this credit, - that the same shall be duly honored upon presentation and delivery of documents as specified. If negotiated, must be presented on or before December , 1965.

Except as otherwise expressly stated herein, this credit is subject to the Uniform Customs and Practice for Documentary Credits, 1962 revision, the International Chamber of Commerce Brochure No. 222.

Approved
BLAIR ASSOCIATES

By: _____

Very truly yours,

Assistant
Treasurer

Treasurer

MEMORANDUM

12/17/64

TO: Boston Redevelopment Authority

FROM: Edward J. Logue, Development Administrator

SUBJECT: Security to Insure Adherence to Construction Schedule
Site F-1, Shopping Center
Washington Park Urban Renewal Area

On December 4, the Authority approved a number of documents in connection with the disposition of Parcel F-1 to Blair Associates, including a construction schedule and form of penalty bond designed to insure that the Redeveloper commences and completes the construction of the improvements on schedule.

As the attached letter from his attorney indicates, the Redeveloper has found that the collateral and premium required by the insurance companies with whom it has negotiated are economically prohibitive. In lieu of the penalty bond, he has requested Authority approval of a document entitled "Instrument of Credit In Lieu of Penalty Bond". This document to be signed by the Redeveloper and the Garden City Trust Company, provides for the establishment of an account in the name of the Redeveloper in this bank, and the deposit of \$25,000 therein, not subject to withdrawal by the Redeveloper until the shopping center is constructed to the satisfaction of the Authority. Attached to this document and incorporated by reference is an Irrevocable Commercial Letter of Credit addressed to the Boston Redevelopment Authority from the Garden City Trust Company, authorizing the Authority to withdraw funds from this account upon the default by the Redeveloper of his obligations under the Land Disposition Agreement, specifically, the failure to commence and complete the construction of the improvements in accordance with the construction schedule.

I am satisfied that the rights of the Authority are as fully protected by this alternate arrangement as they would have been with a penalty bond with corporate surety. The essential factor is that the funds are beyond the control of the Redeveloper, and a disinterested third party is prepared to pay the Authority the amount it is entitled to receive upon the Redeveloper's failure to comply with its obligations. It is a "stand up and deliver" type arrangement which gives us much more than a right to sue upon default. An appropriate vote is attached.

Attachment